

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6396**

**BILL NUMBER:** HB 1050

**NOTE PREPARED:** Nov 28, 2004

**BILL AMENDED:**

**SUBJECT:** Employees' Right to Work.

**FIRST AUTHOR:** Rep. Torr

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill makes it a Class A misdemeanor for an employer to require an individual to: (1) become or remain a member of a labor organization; (2) pay dues, fees, or other charges to a labor organization; or (3) pay to a charity or another third party an amount that represents dues, fees, or other charges required of members of a labor organization; as a condition of employment or continuation of employment. It establishes a private right of action for violations or threatened violations.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** If additional court cases or civil actions occur and fines and fees are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee for criminal cases (or \$100 civil filing fee) that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. (For civil actions, a \$100 civil filing fee would be assessed.)

**Explanation of Local Expenditures:** The number of units that have contracts that would require an employee to: (1) become or remain a member of a labor organization; (2) pay dues, fees, or other charges to a labor organization; or (3) pay to a charity or other third party an amount that represents dues, fees, or other charges

required of members of a labor organization is unknown. The bill would apply to contracts modified, renewed, or extended after June 30, 2005. An individual who is required to pay to or join a labor organization may bring civil action to obtain any of the following:

1. Actual and consequential damages resulting from the violation.
2. A civil penalty of not more than \$1,000.
3. Reasonable attorney's fees, litigation expenses, and costs.
4. Declaratory or equitable relief, including injunctive relief.
5. Any other relief the court considers proper.

A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee (or \$100 civil filing fee) that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees or civil filing fees. If the case is filed in a city or town court, 20% of the court fee or civil filing fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.